

TEACHERS' FUND FOR RETIREMENT
PERFORMANCE REPORT FOR JULY 2001

9/11/2001

	Assets as of July 31, 2001			*RATES OF TOTAL RETURN							
	EMV \$(000)	Actual Alloc	Policy Alloc	Month Ended (preliminary) Jul-01	Jun-01	Quarter Ended Mar-01 Dec-00 Sep-00			2002 FYTD	YR Ended 6/30/2001	
LARGE CAP EQUITY											
Structured Growth											
Alliance Capital Management	26,375	2.1%	2.3%	-3.24%	10.03%	-20.32%	-16.57%	-1.67%	-3.24%	-28.08%	
RUSSELL 1000 GROWTH				-2.50%	8.42%	-20.90%	-21.35%	-5.38%	-2.50%	-36.18%	
Structured Value											
LSV	34,288	2.7%	2.3%	1.10%	8.10%	-0.19%	7.21%	11.46%	1.10%	28.93%	
RUSSELL 1000 VALUE				-0.21%	4.88%	-5.86%	3.60%	1.52%	-0.21%	3.84%	
Enhanced S&P Index (1)											
Northern Trust Global Investments	53,008	4.2%	4.5%	-1.02%	5.69%	-11.46%	-8.41%	N/A	-1.02%	N/A	
Strong Capital	53,047	4.2%	4.5%	-0.55%	3.71%	-9.66%	-7.84%	N/A	-0.55%	N/A	
Westridge Capital	60,707	4.8%	4.5%	-0.95%	5.60%	-10.86%	-7.16%	N/A	-0.95%	N/A	
Total Enhanced S&P Index	166,761	13.2%	13.5%	-0.85%	5.02%	-11.43%	-7.79%	N/A	-0.85%	N/A	
S&P 500				-0.98%	5.85%	-11.86%	-7.82%	N/A	-0.98%	N/A	
Enhanced Russell 1000 Index (1)											
Wilshire	53,222	4.2%	4.5%	-1.42%	6.52%	-12.21%	-7.99%	N/A	-1.42%	N/A	
RUSSELL 1000				-1.37%	6.31%	-12.57%	-9.15%	N/A	-1.37%	N/A	
S&P 500 Index											
State Street - S&P 500 Index	89,608	7.1%	7.5%	-0.97%	5.85%	-11.86%	-7.79%	-0.91%	-0.97%	-14.75%	
S&P 500				-0.98%	5.85%	-11.86%	-7.82%	-0.97%	-0.98%	-14.83%	
TOTAL LARGE CAP EQUITY	370,255	29.4%	30.0%	-0.96%	6.06%	-11.10%	-7.37%	1.30%	-0.96%	-11.52%	
S&P 500				-0.98%	5.85%	-11.86%	-7.82%	-0.97%	-0.98%	-14.83%	
SMALL CAP EQUITY (2)											
SEI	141,143	11.2%	10.0%	-3.40%	N/A	N/A	N/A	N/A	-3.40%	N/A	
RUSSELL 2000 + 200 bp				-5.24%	14.79%	N/A	N/A	N/A	-5.24%	N/A	
TOTAL SMALL CAP EQUITY	141,143	11.2%	10.0%	-3.40%	3.38%	-6.44%	-8.28%	3.99%	-3.40%	1.69%	
RUSSELL 2000				-5.41%	14.29%	-6.51%	-6.91%	1.11%	-5.41%	0.57%	
INTERNATIONAL EQUITY											
Intl Core											
State Street	113,264	9.0%	10.0%	-2.65%	0.60%	-10.23%	-3.17%	-6.15%	-2.65%	-17.93%	
MSCI 50% HEDGED EAFE INDEX				-2.74%	0.15%	-10.44%	-3.47%	-5.23%	-2.74%	-17.95%	
Intl Active											
Capital Guardian	111,468	8.9%	10.0%	-3.31%	0.85%	-9.61%	-6.11%	-6.69%	-3.31%	-20.14%	
MSCI 50% HEDGED EAFE INDEX				-2.74%	0.15%	-10.44%	-3.47%	-5.23%	-2.74%	-17.95%	
TOTAL INTERNATIONAL EQUITY	224,732	17.9%	20.0%	-2.98%	0.72%	-9.66%	-4.64%	-6.44%	-2.98%	-18.81%	
MSCI 50% HEDGED EAFE INDEX				-2.74%	0.15%	-10.44%	-3.47%	-5.23%	-2.74%	-17.95%	
EMERGING MARKETS											
Value - Active - Commingled											
Capital Guardian	57,565	4.6%	5.0%	-6.22%	6.98%	-7.44%	-16.15%	-14.86%	-6.22%	-29.31%	
MSCI EMERGING MKTS FREE INDEX				-6.32%	3.90%	-5.46%	-13.32%	-13.00%	-6.32%	-25.93%	
DOMESTIC FIXED INCOME											
Core Bond											
Western Asset	17,383	1.4%	1.2%	2.48%	1.37%	3.64%	4.08%	3.71%	2.48%	13.40%	
LB AGGREGATE				2.24%	0.56%	3.03%	4.21%	3.01%	2.24%	11.22%	
Active Duration											
Criterion	17,000	1.4%	1.2%	1.98%	0.67%	2.67%	5.23%	3.29%	1.98%	12.34%	
LB AGGREGATE				2.24%	0.56%	3.03%	4.21%	3.01%	2.24%	11.22%	
Index											
Bank of North Dakota	16,916	1.3%		2.45%	0.04%	3.29%	4.60%	2.73%	2.45%	11.04%	
BND (Match Loan Program)	11,219	0.9%		0.49%	1.45%	1.43%	1.44%	1.44%	0.49%	5.89%	
Total Bank of North Dakota	28,135	2.2%	1.8%	2.00%	0.37%	2.83%	3.86%	2.42%	2.00%	9.79%	
LB GOV/CORP				2.49%	0.30%	3.20%	4.37%	2.87%	2.49%	11.13%	

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				Jul-01	Jun-01	Mar-01	Dec-00	Sep-00		
Core										
Strong Capital	17,428	1.4%	1.2%	3.08%	1.17%	4.74%	3.42%	3.52%	3.08%	13.45%
LB BAA BOND INDEX				2.96%	0.79%	0.59%	1.53%	2.98%	2.96%	6.00%
Convertibles										
TCW	15,284	1.2%	1.2%	-3.01%	4.87%	-9.69%	-13.21%	5.14%	-3.01%	-13.58%
1ST BOSTON CONVERTIBLE INDEX				-1.97%	4.12%	-6.24%	-12.31%	2.95%	-1.97%	-11.87%
Timberland										
Wachovia	91	0.0%	0.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL DOM FIXED INCOME	95,320	7.6%	7.0%	1.39%	1.55%	1.02%	0.61%	3.54%	1.39%	6.87%
LB AGGREGATE				2.24%	0.56%	3.03%	4.21%	3.01%	2.24%	11.22%
HIGH YIELD BONDS										
Western Asset	90,003	7.2%	7.0%	1.47%	-1.75%	3.88%	-5.57%	-0.87%	1.47%	-4.46%
LB HIGH YIELD BOND INDEX				1.47%	-2.29%	6.36%	-5.24%	0.57%	1.47%	-0.96%
INTERNATIONAL FIXED INCOME										
Intl Core										
Brinson	67,313	5.3%	5.0%	2.95%	-2.51%	-5.37%	5.73%	-5.25%	2.95%	-7.58%
SALOMON NON-US GOV'T BOND				2.54%	-1.97%	-4.90%	4.00%	-4.52%	2.54%	-7.43%
REAL ESTATE (3)										
JMB	1,222	0.1%		0.40%	1.19%	0.18%	-1.38%	1.95%	0.40%	1.92%
TCW	5	0.0%		-2.96%	-8.63%	8.33%	24.23%	1.86%	-2.96%	25.25%
INVERSCO	75,533	6.0%		0.69%	2.09%	8.35%	1.22%	1.39%	0.69%	13.52%
J.P. Morgan	43,142	3.4%		0.80%	2.41%	1.91%	3.24%	2.34%	0.80%	10.27%
TOTAL REAL ESTATE	119,902	9.5%	9.0%	0.73%	2.22%	5.20%	2.17%	1.87%	0.73%	11.92%
NCREIF PROPERTY INDEX				0.75%	2.26%	2.28%	3.23%	2.95%	0.75%	11.15%
PRIVATE EQUITY (3)										
Brinson IVCF III	1,132	0.1%		-10.10%	-27.35%	10.88%	9.87%	-7.22%	-10.10%	-17.89%
Coral Partners V	16,950	1.3%		-0.45%	-1.35%	-1.54%	23.35%	-0.45%	-0.45%	19.29%
Brinson 1998 Partnership Fund	3,286	0.3%		-3.95%	-11.40%	-7.87%	7.46%	9.86%	-3.95%	-3.63%
Brinson 1999 Partnership Fund	4,118	0.3%		-2.53%	-7.40%	-5.26%	4.53%	4.30%	-2.53%	-4.36%
Brinson 2000 Partnership Fund	5,060	0.4%		-0.97%	-2.89%	-1.42%	6.03%	1.22%	-0.97%	2.74%
Brinson 2001 Partnership Fund	669	0.1%		0.38%	1.13%	0.02%	N/A	N/A	0.38%	N/A
Brinson 1999 Non-US Partnership Fund	1,327	0.1%		-1.06%	-3.16%	2.55%	-2.64%	5.73%	-1.06%	2.24%
Brinson 2000 Non-US Partnership Fund	876	0.1%		-1.18%	-3.50%	-0.37%	-2.36%	-0.98%	-1.18%	-7.03%
Brinson 2001 Non-US Partnership Fund	412	0.0%		0.22%	0.66%	N/A	N/A	N/A	0.22%	N/A
Brinson BVCF IV	7,711	0.6%		-1.11%	-3.31%	-3.49%	-5.23%	0.10%	-1.11%	-11.46%
Hearthstone	3,874	0.3%		2.65%	8.16%	0.00%	0.01%	0.00%	2.65%	8.17%
TOTAL PRIVATE EQUITY	45,415	3.6%	5.0%	-1.41%	-4.17%	-1.37%	11.69%	0.33%	-1.41%	5.92%
POST VENTURE CAPITAL INDEX				7.40%	23.87%	-31.48%	-38.61%	-0.64%	7.40%	-48.23%
CASH EQUIVALENTS										
TNT Short Term Extendable Portfolio	47,106	3.7%	2.0%	0.39%	1.34%	1.27%	1.70%	1.47%	0.39%	5.91%
90 DAY T-BILLS				0.33%	1.12%	1.51%	1.63%	1.51%	0.33%	5.90%
TOTAL FUND	1,258,753	100.0%	100.0%	-1.12%	3.92%	-5.72%	-4.37%	-1.07%	-1.12%	-7.31%
POLICY TARGET BENCHMARK				-0.87%	4.61%	-7.50%	-5.88%	-1.59%	-0.87%	-10.37%
TOTAL VALUE ADDED DUE TO										
Asset Mix				-0.02%	0.02%	0.50%	0.38%	0.40%	-0.02%	1.30%
Active Management				-0.24%	-0.68%	1.41%	1.22%	0.12%	-0.24%	2.08%
Total Value Added				-0.25%	-0.66%	1.91%	1.60%	0.53%	-0.25%	3.38%

(1) Funded between July 25 and August 1, 2000.

(2) Brinson and Nicholas-Applegate were terminated and SEI hired May 18, 2001 with a transition of assets occurring during the month of June.

(3) Monthly returns estimated based on quarters' returns.

***NOTE:**

Monthly returns and market values are preliminary and subject to change.
Returns are net of investment management fees.